

FSC-105-B			6/27/97					
SUBJECT: Cigarette Excise Tax Increase State of New Hampshire			PARTIAL DISTRIBUTION					
DISTRIBUTION:			11	x	21	51	62	
X	AVP	X KAM	X	DM				
X	RSM	X AM	X	RM	12	22	54	63
X	RBM	X AE		Sales Rep	13	23	56	66
X	ROM			Retail Rep	16	x 26	58	67
					17	29		69
					18			

(Please distribute to all affected Sales and Retail Representatives.)

Please be advised the state of New Hampshire will increase their cigarette tax rates effective July 1, 1997, as follows:

New Hampshire	Old Rate	New Rate	Amount of Increase
Packs of 20s	25¢	37¢	12¢
Packs of 25s	31.25¢	46.25¢	15¢

A floor stock tax will be imposed both at wholesale and retail levels.

Car Stock Product Inventory: (including BSGSF Gratis and Sample Product)

Advise any Sales/Retail Representatives that carry New Hampshire taxed cigarettes to complete Attachment A.

- Take an inventory of cigarettes in their possession at the close of business June 30, 1997.
- Sales/Retail Representatives should write the Division Manager a check for the amount of the tax increase for all live product inventoried by 20's and 25's. Do not include payment for gratis portion of BSGSF or sample product (include count only on form).

After the Division Managers receive checks from Sales/Retail Representatives, he/she should write one check made payable to R.J. Reynolds Tobacco Company for the value of tax increase for car stock.

One check (car stock only) should be mailed from each division direct to Mr. William C. Ervin, Department of Taxation, Winston-Salem along with a copy of each Sales/Retail Representative's Car Stock Inventory Report.

Any check and forms should be received by William C. Ervin no later than July 15, 1997.

BSGSF/CENTURY Direct Account Floor Tax Report

In direct accounts shipping the state of New Hampshire, an on-hand inventory count (for that product which is stamped for New Hampshire use or will be stamped for New Hampshire use) must be made on June 30, 1997 and reported on Attachment B in the following manner:

- Any BSGSF product (Gratis portion Only), stamped at the old rate that is on the direct account's floor should be reported indicating the number of packs and the reimbursement due the account for the State Tax increase.
- An on hand Century inventory count must be made and reported by case.

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The direct account will be issued a credit for reimbursement of the gratis portion only of the BSGSF product and applicable Century Tax increase differential.

Sampling Field Marketing & Sports Marketing Enterprises:

Should any outside sampling suppliers have samples on hand on July 1, 1997 please furnish this department with names and addresses of the suppliers, the event for which the product was shipped and the brand and quantity on hand by pack size no later than July 15, 1997.

A written report must be received from each sampling agency stating whether or not cigarettes are on hand.

Returned Goods

The state of New Hampshire will reimburse refunds at the new rate due to floor stock tax being both wholesale and retail.

Program Contact: Bill Ervin, extension #0263

R. J. REYNOLDS TOBACCO COMPANY

Attachments

Do we have any product!?

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FOR NEW HAMPSHIRE USE ONLY**STATE TAX CAR STOCK CIGARETTE INVENTORY**

TYPE	TOTAL # OF PACKS	New Hampshire S.E.T. INCREASE	New Hampshire S.E.T. DUE
Pack of 20's	_____	12¢	\$ _____
Pack of 25's	_____	15¢	\$ _____
			TOTAL \$ _____ Note *

BSGSF CAR STOCK (GRATIS PACK ONLY)

TYPE	PACKS
Pack of 20's	_____
Pack of 25's	_____

STATE TAX SAMPLE PRODUCT (GRATIS) INVENTORY

TYPE	PACKS
Pack of 20's	_____
Pack of 25's	_____

TOTAL PACKS _____

I certify that the inventory taken above is an accurate count of the number of New Hampshire cigarette packs held in my possession, including sample and BSGSF Gratis product, as of the close of business June 30, 1997.

Division # _____	Employee Signature _____	Date _____
	Employee Name-Print _____	Employee Acct. # _____
Division Manager Signature (Indicates Review) _____		

Note *:

A check payable to RJR Division manager (from the employee) for the amount of the New Hampshire State Tax Increase.

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**FOR NEW HAMPSHIRE ONLY
(FOR DIRECT ACCOUNT INVENTORY)**

SIS ACCOUNT NUMBER: _____

CUSTOMER NAME: _____
(Entire ship-to address)

BSGSF NEW HAMPSHIRE STATE EXCISE FLOOR TAX

_____ BSGSF packs (Gratis Portion only) X 12¢ State Tax Increase) =
\$_____ amount due.

FOR HOME OFFICE USE ONLY

Reason Code: 686
Pseudo Code: 0085

CENTURY PRODUCT ON HAND

_____ 6M Cases

FOR HOME OFFICE USE ONLY

Reason Code: 657
Pseudo Code: 0010

To allow price differential for Century product on hand, billed
prior to _____ due to _____ tax
increase of _____.

_____ cases at \$_____ per case =
\$_____ amount due.

Return no later than July 15, 1997, to:

MS ANNE REID
R. J. REYNOLDS TOBACCO
CUSTOMER SERVICES DEPARTMENT
P. O. BOX 2959
WINSTON-SALEM, NC 27102

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